

Daniel:

"Since I left office in January, I have focused spending time with my family and to my new business. I have given the new administration the same courtesy shown to me by the Sundquist administration by referring questions regarding project specifics to the department.

With respect to our overall legacy of job creation, I'm proud of what we accomplished at ECD and throughout the Bredesen administration. The facts demonstrate that even in one of the worse economic slumps since the Great Depression, Governor Bredesen honored his commitment to remake the way Tennessee conducted economic development and to make our state more competitive for projects that would grow Tennessee jobs and Tennessee's tax base. I believe the results speak to that success. Over 200,000 new jobs were created, with over \$33 billion in new capital investment, and the fastest growing business tax base expansion in the Southeast and one of the fastest in the nation.

During our tenure, we conducted our work in a professional, ethical manner, fostering strong relationships on behalf of the state with many industry leaders, and as such Tennessee was recognized as a leader in economic development across the globe.

As a 20-year veteran of the Tennessee House of Representatives prior to my eight years as Commissioner of ECD, I had the privilege of authoring many of the statutory economic development incentives that the department uses. As Commissioner, I sought from the legislature, and received, significant revisions of those programs based on what was learned each year from the projects Tennessee sought and both won and lost. The combination of workers compensation reform in 2004 and the passage of our incentive improvements led to many of the economic development successes we accomplished and the recognition of being the most competitive state in the country by Site Selection magazine.

The decisions by companies like Nissan, Volkswagen Hemlock, Wacker, Medtronic, Smith & Nephew, Aisin, Denso, Alstom, ServiceMaster, International Paper and hundreds of other companies to invest billions of dollars in Tennessee created global interest in our state and created tens of thousands of new jobs.

As to Electrolux, it was the desire of the local officials and mine to bring those jobs to Tennessee. As I noted above I will not discuss project specifics, but I would direct you to both the Nashville Tennessean, (State Should Not Let Employer Slip Away, Ted Rayburn, March 6, 2011) and the Nashville Post, (Analysis, Great News for Memphis is Good News for Middle TN, J.R. Lind, December 17, 2010) who ran exhaustive stories analyzing this project, coming to their independent conclusions that it was worthwhile given what would have happened to the Springfield plant should this project had gone to Mexico.

As with most large projects, we worked with Dr. Fox to better understand the economic impact of gaining this investment or potentially losing both it and the Springfield investment. Dr. Fox found that the large appliance industry has a jobs multiplier of four,

meaning for every direct appliance job there are four supplier jobs. By comparison, the automotive industry multiplier is seven. If you take the 3,200 jobs in Springfield and the 1,300 in Memphis (totaling 4,500 Electrolux jobs), multiply by four, the results are 18,000 supplier jobs for a total of 22,500 jobs. Bringing in and retaining over 22,000 jobs in the midst of a catastrophic economic slump made this an easy economic decision.

Consider those communities across the country that have lost these large job anchors, and the resulting devastating impact it's had on them – from the loss of population, additional burdens including the cost of providing long term social services, and the associated loss of a significant amount of tax revenue.

I will add that during the past legislative session, I was contacted by former colleagues of mine – economic development Commissioners of other states, who stated that if Tennessee was not going to honor the commitments that had been made for this project, they would welcome the chance to step in, honor them, and bring the project and jobs to their respective states. It's obvious that extremely high unemployment, fewer attractive job-creating projects, and a very difficult economy have made the competition for these jobs even greater.

Since my return to the private sector I've worked with my colleagues here to build our business reflecting the same level of professionalism that is core to our principles of honesty and integrity. To suggest otherwise is frankly both insulting and misguided.

To your questions about any ties that any of us have to specific industries, the simple fact is that while in office we never attempted to benefit personally or professionally in any way from relationships with any industry or business leader or through programs or initiatives.